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December 3, 2020

# VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk North Carolina Utilities Commission 4325 Mail Service Center Raleigh, North Carolina 27699-4300

### RE: Duke Energy Progress, LLC's Request to Change Implementation Date and to Approve Proposed Notice to Customers Docket Nos. E-2, Subs 1250, 1251, 1253 and 1254

Dear Ms. Campbell:

On the afternoon of November 30, 2020, Duke Energy Progress, LLC ("DEP") received the North Carolina Utilities Commission's ("Commission") Order Approving Fuel Charge Adjustment in Docket No. E-2, Sub 1250; its November 30, 2020 Order Approving Proposed REPS and REPS EMF Riders and 2019 REPS Compliance Report in Docket No. E-2, Sub 1251; its November 30, 2020 Order Approving Joint Agency Asset Rider; and its November 30, 2020 Order Approving CPRE Rider and CPRE Program Compliance Report in Docket No. E-2, Sub 1254 (collectively, the "DEP Rider Orders"), all which approved new rates effective December 1, 2020 in these dockets. Due to the timing of receipt of the Orders, DEP was unable to make the necessary changes to its billing system to implement the new rates reflective in customer bills as of the following day, December 1, 2020. DEP respectfully requests that the Commission allow DEP to implement the new rates established by the DEP Rider Orders reflective in customer bills as of December 7, 2020. DEP proposes to continue billing customers under the respective prior rider rates for the period December 1, 2020 through December 6, 2020, and to true up the differences as part of the 2021 DEP Rider proceedings.

I also enclose the proposed Notice to Customers of Change in Rates developed by DEP.

DEP respectfully requests that the Commission review the Customer Notice as soon as possible to allow DEP sufficient time for the design, printing and programming of the notice to be included in customer bills during December 2020.



Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

he b. Sam

Lawrence B. Somers

Enclosure

cc: Parties of Record

## STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

### BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1250	)
In the Matter of Application of Duke Energy Progress, LLC Pursuant to N.C. Gen. Stat. § 62-133.2 and NCUC Rule R8-55 Relating to Fuel and Fuel- Related Charge Adjustments for Electric Utilities	) ) ) ) )
DOCKET NO. E-2, SUB 1251	)
In the Matter of Application of Duke Energy Progress, LLC for Approval of Renewable Energy and Energy Efficiency Portfolio Standard (REPS) Compliance Report and Cost Recovery Rider Pursuant to N.C.G.S. § 62-133.8 and Commission Rule R8-67	<ul> <li>NOTICE TO</li> <li>CUSTOMERS OF</li> <li>CHANGE IN RATES</li> <li>)</li> <li>)</li> <li>)</li> <li>)</li> <li>)</li> </ul>
DOCKET NO E 2 Sub 1252	)
DOCKET NO. E-2, Sub 1253	)
In the Matter of Application by Duke Energy Progress, LLC for Approval of a Joint Agency Asset Rider for Recovery of Costs Related to Facilities Purchased from Joint Power Agency Pursuant to N.C.G.S. § 62-133.14 and Rule R8-70	/ ) ) ) )
DOCKET NO. E-2, SUB 1254	)
In the Matter of Application of Duke Energy Progress, LLC for Approval of CPRE Cost Recovery Rider Pursuant to N.C.G.S. § 62-110.8 and Commission Rule R8-71	) ) ) )

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-2, Sub 1250, on November 30, 2020, after public hearing, approving fuel and fuel related charge rate decreases (including regulatory fee) of (0.4390) ¢/kilowatt-hour ("kWh"), (0.5230) ¢/kWh, (0.3500) ¢/kWh, (0.2320) ¢/kWh, and (0.9760)

 $\phi$ /kWh for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes, respectively. The decrease equates to approximately \$141 million on an annual basis in the rates and charges paid by the retail customers of Duke Energy Progress, LLC ("Duke Energy Progress" or "the Company") in North Carolina.

These changes are effective as of December 1, 2020 with billing to begin on a service rendered basis on and after December 7, 2020. Duke Energy Progress will true-up the rider rates between December 1, 2020 through December 6, 2020 during its next fuel and fuel related charges proceeding. The rate decrease was ordered by the Commission after a review of Duke Energy Progress' fuel and fuel-related expenses during the 12-month period ended March 31, 2020, and represents actual changes experienced by the Company with respect to its reasonable cost of fuel and fuel-related costs during the test period. The net fuel and fuel-related cost factors for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes are 2.260  $\phi/kWh$ , 2.175  $\phi/kWh$ , 2.324  $\phi/kWh$ , 2.471  $\phi/kWh$ , and 1.773  $\phi/kWh$ , respectively (excluding regulatory fee).

The changes in the approved fuel and fuel-related rates described above will result in monthly net rate decreases of approximately \$4.39 for each 1,000 kWh of usage per month for the Residential customer class, \$5.23 for each 1,000 kWh of usage per month for the Small General Service customer class, \$3.50 for each 1,000 kWh of usage per month for the Medium General Service customer class, \$2.32 for each 1,000 kWh of usage per month for the Large General Service customer class, and \$9.76 for each 1,000 kWh of usage per month for the Lighting customer class.

NOTICE IS ALSO HEREBY GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-2, Sub 1251 on November 30, 2020, after public hearing, approving changes in the Company's Renewable Energy and Energy Portfolio Standard (REPS) riders by customer class. These charges are designed to collect approximately \$37.5 million of incremental costs incurred to comply with the REPS requirements, pursuant to N.C.G.S. § 62-133.8.

Effective as of December 1, 2020 with billing to begin on a service rendered basis on and after December 7, the monthly REPS riders, by customer class, are as follows: Residential, \$1.29 per month; General Service/Lighting, \$6.98 per month; and Industrial Service \$47.88 per month, including regulatory fee. These monthly charges reflect decreases by customer class of \$0.16 per month for Residential, \$1.27 per month for General Service/Lighting, and \$11.70 per month for Industrial. Duke Energy Progress will true-up the REPS rider rates between December 1, 2020 through December 6, 2020 during its next REPS proceeding.

NOTICE IS ALSO HEREBY GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-2, Sub 1253 on November 30, 2020, after public hearing, approving changes in the Company's Joint Agency Asset Rider by customer class. These charges are associated with DEP's purchase of certain generating plants from North Carolina Eastern Municipal Power Agency following Commission review of DEP's costs through the 12-month period ended December 31, 2019. Effective as of December 1, 2020 with billing to begin on a service rendered basis on and after December 7, the change in the monthly charge for residential customers is a decrease of 0.011 cents per kWh, including the regulatory fee. The impact on other customer classes varies based upon their rate schedules. Fuel savings associated with DEP's purchase of the generating plants are passed through to customers in DEP's fuel and fuel-related rates. Duke Energy Progress will true-up the joint agency asset rider ("JAAR") rates between December 1, 2020 through December 6, 2020 during its next JAAR proceeding.

NOTICE IS ALSO HEREBY GIVEN that the North Carolina Utilities Commission entered an Order in Docket No. E-2, Sub 1254, on November 30, 2020, after public hearing, approving CPRE rate increases (including regulatory fee) of 0.007 ¢/kWh, 0.007 ¢/kWh, 0.007 ¢/kWh, 0.006 ¢/kWh, and 0.005 ¢/kWh for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes, respectively. The increase equates to approximately \$2.3 million on an annual basis in the rates and charges paid by the retail customers of Duke Energy Progress in North Carolina.

These changes are effective as of December 1, 2020 with billing to begin on a service rendered basis on and after December 7, 2020. Duke Energy Progress will true-up the CPRE rider rates between December 1, 2020 through December 6, 2020 during its next CPRE proceeding. The rate increase was ordered by the Commission after a review of Duke Energy Progress' CPRE program expenses during the 32-month period ended March 31, 2020, and represents actual changes experienced by the Company with respect to its reasonable CPRE costs during the test period. The net CPRE cost factors for the Residential, Small General Service, Medium General Service, Large General Service, and Lighting customer classes are 0.007 ¢/kWh, 0.007 ¢/kWh, 0.006 ¢/kWh, and 0.005 ¢/kWh, respectively (excluding regulatory fee).

The changes in the approved CPRE rates described above will result in monthly net rate increases of approximately \$0.07 for each 1,000 kWh of usage per month for the Residential customer class, \$0.07 for each 1,000 kWh of usage per month for the Small General Service customer class, \$0.07 for each 1,000 kWh of usage per month for the Medium General Service customer class, \$0.06 for each 1,000 kWh of usage per month for the Large General Service customer class, and \$0.05 for each 1,000 kWh of usage per month for the Large General Service customer class.

THE OVERALL IMPACT of change in all riders on a residential customer using 1,000 kWh per month, reflecting the combined effect of the changes in the fuel and fuelrelated rate, the monthly REPS rate, the monthly JAAR rate, and the monthly CPRE rate, as described above, will be a decrease of \$4.59 per month.

#### ISSUED BY ORDER OF THE COMMISSION.

This the \_\_\_\_\_nd day of December, 2020.

NORTH CAROLINA UTILITIES COMMISSION Kimberley A. Campbell, Chief Clerk

#### **CERTIFICATE OF SERVICE**

I certify that a copy of Duke Energy Progress, LLC's Request to Change Implementation Date and to Approve Proposed Customer Notice, in Docket Nos. E-1, Sub 1250, 1251, 1253 and 1254, have been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

Dianna Downey Tim Dodge Layla Cummings Nadia Luhr John Little Gina Holt Reita Coxton Public Staff North Carolina Utilities Commission 4326 Mail Service Center Raleigh, NC 27699-4300 dianna.downey@psncuc.nc.gov tim.dodge@psncuc.nc.gov layla.cummings@psncuc.nc.gov nadia.luhr@psncuc.nc.gov john.little@psncuc.nc.gov gina.holt@psncuc.nc.gov reita.coxton@psncuc.nc.gov

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This the 3<sup>rd</sup> day of December, 2020.

By:

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